



**September 30, 2019**

To: Joint Legislative Oversight Committee on General Government and the Fiscal Research Division

From: Michael E. McNair, Director of Community Development & Housing

Subject: Report on Local Government Funding, Subsidies and Activities related to Affordable Housing

There are 41 low income housing apartment complexes which contain 2,765 affordable apartments for rent in High Point. Many of these rental apartments are income-based housing with 2,052 apartments that set rent based on income. In High Point, HUD housing programs support 747 rental assistance apartments through programs like Project-based Section 8. There are 713 other low-income apartments that don't have rental assistance but are cheaper than market rate rents.

Please see below strategies employed by the City of High Point to assist in lowering the cost of privately development housing:

(1) Rezoning for densities necessary to assure the production of moderate-income housing.

- The City of High point adopted a new development Ordinance effective January 1, 2017. In the Ordinance are several provisions that allow for a variety of housing by right at varying densities, in addition to housing allowed in commercial & mixed-use zones:
  - Multifamily residential developments are allowed at densities of 5, 16 and 26 units per acre in the 3 residential multifamily districts.
  - In 7 separate commercial districts, multifamily residential development is allowed at densities of 5, 16 and 26 units per acre.
  - In the Central Business (CB) & Mixed-use (MX) Districts, there are no limits on residential density.
  - Outside the Core City area, the Residential-5 & Residential-7 Districts allows the development of twin homes on site of 5 acres or larger.
  - Pocket neighborhoods are a preferred development type allowed in the Core City in any zoning districts that allows single-family detached dwellings. The development type is not controlled by density but rather by site standards. The development type must be on a site of at least 1/3 of an acre and no greater than 4 acres. The number of dwellings must include at least 4 but more than 12 single family detached dwellings.
  - Tiny home neighborhoods are a preferred development type in the Core City in any zoning districts that allows single-family detached dwellings. The development type is not controlled by density but rather by site standards. The development type must be on a site of at least ¼ of an acre and



no greater than 2 acres. The number of dwellings must include at least 4 but more than 12 tiny home dwellings.

- Multi-family development, as part of an adaptive reuse of existing buildings, is allowed in Light Industrial (LI) Districts within the Core City to promote mix-use and reuse of older buildings. The development type is not controlled by density but rather by site standards.

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- (2) Facilitating the rehabilitation or expansion of infrastructure that will encourage the construction of moderate income housing.

The Community Development & Housing, Engineering, and Planning Departments work with developers to upgrade or install infrastructure to support affordable housing development for multi-family rental and single-family homeownership projects. Using federal (CDBG & HOME), state (NSP) and local funds (general funds), the development of projects is being assisted with grants or low-interest loans for infrastructure and site improvements to help maintain the housing affordability.

- (3) Encouraging the rehabilitation of existing uninhabitable housing stock into moderate income housing. City Council approved the Small Builders Incentive Program (SBIP) in May 2017 to encourage private participation in the restoration of existing housing or new development in areas of greatest need as defined by a previously commissioned Housing Market Segmentation Study.

- (4) Considering general fund subsidies to waive construction-related fees that are otherwise generally imposed by the city.

There has been no initiative by the City to waive construction-related fees.

- (5) Creating or allowing for accessory dwelling units...

ADUs, either attached or detached, are allowed by right to a single-family detached dwelling in any zoning district, subject to accessory use standards.

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- (6) Allowing for housing in commercial & mixed-use zones.

- Single-family detached & duplex dwellings are allowed in the following districts: Transitional Office (TO); Office-Institutional (OI) & Limited Business (LB) Districts
- Single-family attached, Triplex, Quadplex & Multi-family dwellings are allowed in the following districts: Transitional Office (TO); Office-Institutional (OI); Limited Business (LB); General Business (GB);



Retail Center (RC), Central Business (CB), Employment Center (EC); Institutional (I); Main Street (MS) & Mixed Use (MX) Districts

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- (7) Encouraging high density or moderate-income residential development near major transit investment corridors.
- High Point does not have any major transit investment corridors.
- (8) Eliminating or reducing parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle...
- Parking requirements overall were reduced in Development Ordinance rewrite effective January 1, 2017, including senior living facilities.

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- (9) Allowing for SRO developments.
- SROs are allowed in the Residential Multifamily-16 (RM-16); Residential Multifamily-26 (RM-26) & Office-Institutional (OI) Districts, subject to residential use standards and the issuance of a special use permit

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- (10) Preserving existing moderate income housing.
- The City offers a homeowner housing rehabilitation/urgent repair program to assist homeowners in addressing safety and habitability issues, which is available to residents citywide. In addition, the City has undertaken an initiative, [Operation Inasmuch](#), twice a year whereby volunteers, skilled workers, non-profit and private companies work in teams to provide housing repairs and cleanup for some of our most vulnerable residents in the Core City. Funding for the initiative is provided with general funds.
- (11) Considering utilization of State or federal funds or tax incentives to promote the construction of moderate income housing.
- The City uses federal (CDBG & HOME) and state (NSP) funds in the construction of affordable rental and homeownership housing. Households targeted fall within the range of 50%-80% AMI. High Point has also



leveraged its CDBG federal funds using the Section 108 Loan Guarantee Program for the development of affordable multi-family housing.

- (12) Considering utilization of programs offered by the Housing Finance Agency within that agency's funding capacity.

The City receives funding from the NC Housing Finance Agency's Urgent Repair Program (URP) and Construction Training Partnership (CTP) program. Funds are used to assist homeowners with urgent repair needs that would otherwise cause them to be displaced from their home. We also provide down payment assistance to homebuyers who can "stack" or layer our assistance with additional down payment funds from NCHFA's Community Partners Loan Pool (CPLP). Additionally, multi-family housing developers are assisted with federal funds to aid them in securing Low Income Housing Tax Credits (LIHTC) for their projects.